

AMENDED IN ASSEMBLY AUGUST 18, 2004

AMENDED IN SENATE MAY 3, 2004

AMENDED IN SENATE APRIL 12, 2004

SENATE BILL

No. 1601

**Introduced by Committee on Public Employment and
Retirement (Senators Soto (Chair), Escutia, and Karnette)**

February 20, 2004

An act to amend Sections 31641.4 and 31664.65 of, and to add Section 31764.8 to, the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 1601, as amended, Committee on Public Employment and Retirement. County employees' retirement: safety member benefits.

(1) The County Employees Retirement Law of 1937 prescribes a specified formula for the calculation of service retirement benefits for safety members and applies that formula to calculate the member's benefits when the member has purchased service credit for public service, as defined, or has rendered service as both a safety member and a general member. Existing law authorizes the county board of supervisors to adopt one of 2 alternative formulas for calculating retirement benefits for safety members.

Under this bill, those alternative formulas would also apply to calculate the member's benefits when the member has purchased service credit for public service, as defined, or has rendered service as both a safety member and a general member. ~~The bill would authorize the county board of supervisors to require any resulting increased cost of benefits to be paid by the county, the employee, or both.~~

(2) Existing law authorizes a member of a retirement system subject to the County Employees Retirement Law of 1937 to elect from 4 optional settlements that provide the member with a reduced monthly retirement allowance for the member's life and specified additional benefits payable to the member's beneficiary.

This bill would, if adopted by the county board of supervisors, authorize a member *or, in certain cases, a retired member* to elect to receive his or her entire retirement benefit in a lump-sum payment ~~on retirement~~ if his or her monthly retirement allowance is *or is* to be \$100 or less.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 31641.4 of the Government Code is
2 amended to read:

3 31641.4. (a) A member shall receive credit for employment
4 in public service only for service for which he or she is not entitled
5 to receive a pension or retirement allowance from the public
6 agency. The service for which he or she elects to contribute and the
7 fact that no pension or retirement allowance shall accrue to the
8 member by virtue of his or her employment in the public agency
9 shall be certified to by an officer of the public agency for which
10 he or she rendered the public service or shall be established to the
11 satisfaction of the board.

12 (b) Notwithstanding any other provision of law, a safety
13 member who receives credit for prior employment in public
14 service, the principal duties of which consisted of active law
15 enforcement or active fire suppression, or active service in the
16 armed services of the United States during time of war or national
17 emergency, shall have his or her pension or retirement allowance
18 for that service calculated on the same basis as the calculation of
19 the retirement allowance the member would receive as a safety
20 member under Section 31664, 31664.1, or 31664.2.

21 (c) A safety member who entered the service as a peace officer
22 prior to the establishment of the safety membership provisions in
23 his or her county shall be considered a safety member from his or
24 her initial hiring date, for the purposes of this section,
25 notwithstanding any other provision of law.



~~(d) The county board of supervisors, by resolution adopted by majority vote, may require that the actuarial cost of any increase in benefits that results from the amendments to this section enacted during the second year of the 2003-04 Regular Session shall be paid by the county, the member, or both.~~

SEC. 2. Section 31664.65 of the Government Code is amended to read:

31664.65. If a member retires with credit for time during which he or she was not a safety member or a member of a system established pursuant to either Chapter 4 (commencing with Section 31900) or Chapter 5 (commencing with Section 32200) of this part, he or she shall receive for that time:

(a) A retirement allowance calculated pursuant to Section 31664, 31664.1, or 31664.2 for time during which he or she was employed principally in active law enforcement or active fire suppression as described in Section 31470.2 or 31470.4 by a county, or by a district or court organized or existing within the county, or was a member of a system established pursuant to either Chapter 4 (commencing with Section 31900) or Chapter 5 (commencing with Section 32200), plus a retirement allowance calculated under either subdivision (b) or (c) of this section, whichever is applicable.

(b) A retirement allowance calculated pursuant to Section 31664, 31664.1, or 31664.2 for all prior county service with that county, and for any public service credit for which the member has elected to receive pursuant to Section 31641.1 or 31641.5.

This subdivision shall apply only to a member who, when the board of supervisors pursuant to Section 31695.1 provides that provisions of this chapter relating to safety members shall apply to all employees of the county whose principal duties consist of active law enforcement or active fire suppression as defined in Section 31470.2 or 31470.4, was employed by the county principally in active law enforcement or active fire suppression as defined by those sections and who elected to be included within those safety member provisions at the time and in the manner prescribed by Section 31695.2.

(c) A retirement allowance calculated pursuant to Article 8 (commencing with Section 31670) of this chapter for time during which he or she was not engaged principally in active law enforcement or active fire suppression as described in Section

1 31470.2 or 31470.4, nor a member of a system established
2 pursuant to either Chapter 4 (commencing with Section 31900) or
3 Chapter 5 (commencing with Section 32200) of this part.

4 This subdivision shall apply to any member to whom
5 subdivision (b) is not applicable.

6 (d) The provisions of this section shall be applicable
7 irrespective of whether a member is, at the time of retirement, a
8 safety member or a general member.

9 ~~(e) The county board of supervisors, by resolution adopted by
10 majority vote, may require that the actuarial cost of any increase
11 in benefits that results from the amendments to this section enacted
12 during the second year of the 2003-04 Regular Session shall be
13 paid by the county, the member, or both.~~

14 SEC. 3. Section 31764.8 is added to the Government Code, to
15 read:

16 31764.8. (a) Optional settlement 6 consists of the right to
17 have the actuarial present value of the member's entire retirement
18 benefit under this system, as calculated by the system's actuary,
19 paid to the member in a lump sum at the time of the member's
20 retirement. A member may elect optional settlement 6 only if his
21 or her retirement allowance is estimated to be less than or equal to
22 one hundred dollars (\$100) per month. The retirement system shall
23 provide the benefit estimate, at the member's request, and shall
24 advise the member, prior to retirement, of the monthly allowance
25 amount.

26 (b) *Notwithstanding Sections 31481 and 31760, a retired*
27 *member may elect to convert his or her entire remaining retirement*
28 *benefit under this system into a lump-sum payment, in accordance*
29 *with subdivision (a), if the member's retirement allowance is less*
30 *than or equal to one hundred dollars (\$100) per month and he or*
31 *she makes the election within 12 months after the date this section*
32 *becomes operative in the county.*

33 (c) This section is not operative in any county until the board
34 of supervisors, by resolution adopted by a majority vote, makes
35 this section operative in the county.